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Chairman: Mrs. EMERSON (Portugal)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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In the absence of Mr. Hadid (Algeria), Mrs. Emerson (Portugal), Vice-Chairman, took the Chair.

The meeting was called to order at 3.30 p.m.

AGENDA ITEM 134: FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR (continued) (A/48/842 and Corr.1, A/48/898)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the financing of the United Nations Observer Mission in El Salvador (ONUSAL) (A/48/898), drew particular attention to the recommendation in paragraph 18 that the General Assembly should appropriate for ONUSAL the amount of $19,527,000 gross ($17,672,700 net) for the period 1 December 1993 to 31 May 1994. That amount would have to take into account the previous assessments and any unencumbered balance remaining from the previous period.

2. Mr. TAKASU (Controller) said that the Secretariat found the Advisory Committee's recommendations generally acceptable. However, with regard to the Advisory Committee's view that the total number of vehicles in the mission area was adequate and that there was no need to rent more vehicles (para. 14), he pointed out that elections were due to be held in El Salvador in March 1994, that more observers would have to be deployed in the country at that time, and that for a limited period of a few weeks, it might therefore be necessary to rent additional vehicles. If it proved impossible to make do with the number of vehicles authorized, the Secretariat would draw attention to that fact in its performance report when the time came so that the Fifth Committee could take a decision.

3. Another matter which caused some difficulty for the Secretariat was the absence of a recommendation concerning the period after 31 May 1994. The current mandate of ONUSAL would expire at the end of May, after which there was expected to be a liquidation phase the duration of which was hard to predict. In his report (A/48/842/Corr.1, para. 9 (c)), the Secretary-General had provided a cost estimate of $3,895,900 gross ($3,612,300 net) for that phase. It was essential for the Secretariat to have financial authority to cover the liquidation phase of the mission from 1 June 1994.

4. Mr. MERIFIELD (Canada) asked whether paragraph 17 of the report (A/48/898) meant that in the view of the Advisory Committee the support account should be regarded not as a general fund to provide support for peace-keeping operations but as a fund to be allocated on a mission-by-mission basis. That approach was not in accordance with his delegation's understanding as to how the support account should be managed. He asked the Chairman of the Advisory Committee whether that was indeed the intention of paragraph 17 or whether the paragraph simply indicated that the Advisory Committee felt that the level of funding in the support account was higher than it needed to be.

(Mr. Merifield, Canada)

5. He also asked why the Advisory Committee had made no recommendation regarding forward funding but was leaving it to the Fifth Committee to decide on a commitment authority and a means of funding based on past practice.

6. Mr. FRANCIS (Australia) asked why the Advisory Committee's report made no mention of funding for the liquidation phase.

7. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the current estimates related to the period 1 December 1993 to 31 May 1994. The Advisory Committee had decided that the cost estimates for the liquidation phase of the mission should be resubmitted by the Secretariat after the Security Council had decided on an extension of the mandate of ONUSAL beyond 31 May 1994. At that time, it would consider the administrative and financial implications of the extension and the cost of liquidating the mission.

8. The support account was scheduled to be discussed by the Advisory Committee in the context of the Secretary-General's report on the matter. With reference to the amounts to be included in the various peace-keeping budgets, he said that, in accordance with the guidelines originally approved by the Fifth Committee on the recommendation of the Advisory Committee, the latter could vary the amounts proposed for transfer to the support account. In that context, the Advisory Committee had taken the view that, since the mission was winding down, the amounts could be reduced as indicated in paragraph 17 of its report (A/48/898).

9. Mr. MERIFIELD (Canada) said that if he had understood correctly, it was now the Advisory Committee's view that the support account should be regarded not as a consolidated fund for all peace-keeping missions but as an account to be allocated on a mission-by-mission basis.

10. Referring to the Advisory Committee's decision with regard to the liquidation phase of the mission, he said that if that decision had been based on information provided by the Secretariat, the same information should also be provided to the Fifth Committee. As a matter of course, the Fifth Committee should always receive background information that was supplied to the Advisory Committee. That was particularly important in cases where the facts provided by the Secretariat influenced the Advisory Committee's decisions.

11. The CHAIRMAN said that informal consultations on the issue would be held the following week.

AGENDA ITEM 137: FINANCING OF THE UNITED NATIONS OPERATION IN SOMALIA II (continued) (A/48/850 and Corr.1, A/48/899)

12. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report (A/48/899), drew attention to the status of assessed contributions, as indicated in paragraphs 6 and 7, and the resources made available and the operating costs for the period ending 28 February 1994, as set out in the table in paragraph 8.

(Mr. Mselle)

13. With regard to voluntary contributions and the two sub-accounts which had been established, one for the Unified Task Force (UNITAF) for the reimbursement of claims to eligible Governments participating in UNITAF and the other for the Somali police component (paras. 9 to 11), he said that the Advisory Committee welcomed the prompt action taken by the Secretariat in response to requests from some of the donors that the UNITAF sub-account should be closed.

14. On the question of financial performance for the period 1 May to 31 October 1993 (paras. 13 to 23) the Advisory Committee had concluded that the expenditure information set out in the report of the Secretary-General (A/48/850 and Corr.1) was an estimate and that some additional savings might be expected after closure of the accounts. With regard to the purchase of certain military vehicles on restricted terms, the Advisory Committee urged that efforts be made to obtain equipment as far as possible on unrestricted terms in view of the unique status and role of the United Nations. As for the ongoing review of payments in respect of death and disability claims, the Advisory Committee hoped that it would be completed as soon as possible.

15. In connection with the cost estimates for the period from 1 November 1993 to 31 May 1994, it would be noted that the Secretary-General was requesting an appropriation of $673,508,200 gross, which included the amount of $302,869,200 gross authorized by the General Assembly in its decision 48/471 (para. 24). The Advisory Committee recommended a reduction of $20 million in the estimate for contractual services, for which an amount of $108,002,000 had been budgeted (paras. 38 to 41). It also noted that the amount of $3,671,471 for spare parts included in the sum of $18,153,750 for the "attendant costs of operationalizing the use of leased equipment" (paras. 35 and 36), was in addition to the $21 million for spare parts reflected in the annex to the Advisory Committee's report.

16. On the question of police training and the restoration of the judicial system in Somalia (paras. 48 to 51), he drew attention to the fact that voluntary contributions had been made to the programme. The Advisory Committee considered that, to the extent that voluntary contributions were provided, the assessed budget resources should be reduced accordingly.

17. To sum up, the Advisory Committee recommended that an amount of $639,399,300 gross be appropriated for the period from 1 November 1993 to 31 May 1994, that the unencumbered balance of $56,027,000 gross in respect of the period from 1 May to 31 October 1993 be set off against the amount to be assessed on Member States for the period from 1 November 1993 to 31 May 1994, and that account should be taken of the amount of $126,195,500 gross already assessed.

18. Mr. TAKASU (Controller) said that the Secretariat would do its utmost to limit the amount needed for contractual services in order to keep within the reduced sum recommended by the Advisory Committee in paragraph 41 of its report. He noted, however, that if, despite the Secretariat's efforts, more resources were needed, it might be necessary to raise the matter again with the Fifth Committee in the context of the performance report.

(Mr. Takasu)

19. Referring to the fact that no recommendation had been made for the period after 31 May 1994, he recalled that the Security Council had decided that the mandate of UNOSOM II would run until 31 May 1994 and that detailed cost estimates for the period from 1 June to 30 November 1994 had been provided by the Secretary-General in his report (A/48/850 and Corr.1). Those estimates were based on scaled-down forces and the revised monthly cost of maintaining UNOSOM II was estimated at $77.4 million. The Security Council would be in a position to decide on the extension of the mandate beyond the end of May 1994. It was expected that the operation would be more complicated than in the case of ONUSAL because UNOSOM II was a major operation and the question of a liquidation process did not arise.

20. Mr. FRANCIS (Australia) asked why the report of the Advisory Committee did not address the period after 31 May 1994, even though detailed cost estimates had been provided by the Secretary-General, and whether there was a full budget for that period.

21. Mr. GOKHALE (India), noting the statement in paragraph 12 of the Advisory Committee's report (A/48/899) to the effect that reimbursement to troop-contributing States had been made up to the end of December 1993, said it was his impression that India, which was a major troop-contributing State, having committed 5,000 troops to the operation, had received payments only up to the end of November 1993.

22. With reference to the comprehensive review of the criteria for payment of death and disability claims (para. 21) he said that, in his delegation's view, equal compensation should be paid irrespective of the nationality of the troops involved and without reference to the compensation paid by the Government of the troop-contributing State. His delegation was convinced that that was the only fair and reasonable solution to the problem and it hoped that the matter would be addressed at an early date.

23. Referring to the purchase of 60 armoured personnel carriers (para. 19), he asked the Controller what restrictions had been imposed by the supplier of the vehicles and whether the equipment could be used in future in other peace-keeping operations. In that connection, his delegation noted and endorsed the Advisory Committee's view that efforts should be made in future to obtain unrestricted use of military equipment by the United Nations. His delegation also noted the Advisory Committee's recommendation with regard to the substantial amounts provided for payment under the contract with Brown and Root Services Corporation.

24. With reference to paragraph 43 of the Advisory Committee's report, he said that further explanations were needed concerning the requirements for air operations, which had more than doubled as compared with the previous mandate period. That had been explained in the Secretary-General's report as being necessitated by the security situation. However, the budget also included an amount of $21 million for infrastructure repairs that were said to be necessary to allow the military components of UNOSOM II to carry out their tasks. He

(Mr. Gokhale, India)

asked whether troop movements would be made by road or by air, pointing out that there was a substantial increase in the estimated expenditure under both headings.

25. Mr. MICHALSKI (United States of America) said that his delegation would not agree to any financing resolution on UNOSOM II until certain information had been received from the Secretariat. He requested information, in respect of UNOSOM II and every peace-keeping operation, regarding the United States share of staff assessment, and the amounts paid through tax reimbursements or tax advances, so that his delegation could determine whether the amounts budgeted for staff assessment and the amounts collected from the United States were related to the amounts paid to United States nationals serving on the mission. If his delegation was unable to demonstrate that the funds collected from the United States were being properly used, that could jeopardize United States contributions to UNOSOM II and future operations.

26. He noted from the tables in annex VIII to the Secretary-General's report (A/48/850) that no amount had been budgeted for staff assessment for local staff. He sought confirmation that no provision had been made for staff assessment for local staff and asked whether that practice would be applied to all peace-keeping budgets. He also asked what policies were followed by Governments with regard to the taxation of local staff employed by the United Nations in peace-keeping operations and, if the United Nations reimbursed local staff in such cases, how such reimbursements were made.

27. His delegation would appreciate a list of all contracts entered into by the United Nations for all goods and services for UNOSOM II, with an indication of the amounts involved and of whether or not there had been competitive bidding.

28. In respect of death and disability benefits, his delegation felt that the provision in the budget, based on an average payment of $40,000, seemed rather high. He asked how many claims had been paid in respect of individuals serving on UNOSOM II over the past mandate period.

29. Mr. BOIN (France) said that his delegation did not agree that the principle of equal compensation applied to death and disability awards since those awards were compensatory payments for loss of income and should reflect differences in the cost of living. He asked whether the criteria for payment of death and disability claims were based on the application of national rules, in accordance with the current guidelines for UNOSOM II; paragraph 21 of the Advisory Committee's report (A/48/899) was unclear in that respect.

30. On the question of contingent-owned equipment, he asked whether the lease period was 10 years or 4 years. Any changes made by the Secretariat would have to be approved by the budgetary bodies.

31. He asked for information on the terms of the contract with Brown and Root Services Corporation and whether there had been international bidding for the contract when UNOSOM II had been extended.

32. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), replying to the representative of Australia, who had asked whether the Advisory Committee had received a full budget for UNOSOM II for the period after 31 May 1994, said that that information could be found in the report of the Secretary-General (A/48/850). The level of detail was about half of that provided for the period 1 November 1993 to 31 May 1994. The situation in Somalia was so fluid that the Advisory Committee had felt that, after the Security Council reviewed the mission, the Secretariat should go back to the General Assembly and the Advisory Committee with cost estimates. The amount that would be required by the Secretariat as commitment authority could easily be worked out on a monthly basis from the amount appropriated by the Committee and assessed on Member States. The Fifth Committee might wish to recommend to the General Assembly the appropriate level of commitment on the basis of the Advisory Committee's recommendation pending the submission of budget estimates by the Secretary-General.

33. Mr. TAKASU (Controller) said that the Secretariat had faced a dilemma in respect of the budget procedure. Member States needed to be given an opportunity to review the budget as early as possible, but that inevitably meant that estimates had to be used. The budget for the period from 1 November 1993 to 31 May 1994 had been completed at the end of January 1994; the Secretariat had therefore been able to reflect the actual performance for the first two months, but, beyond that, had had to rely on cost estimates.

34. Replying to the representative of India on the question of reimbursements to troop-contributing States, he said that the observation made by the Advisory Committee in paragraph 12 of its report was correct; reimbursement to troop contributors had been made up to 31 December 1993.

35. On the question of restrictions set by the supplier on the use and disposition of the armoured personnel carriers, he said that it would be possible to use the armoured personnel carriers in other peace-keeping operations but, at the time of their disposition, the Secretariat would need to consult with the Member State concerned.

36. With regard to death and disability awards, the Secretariat had calculated an average payment of $40,000 for budgetary purposes, but, under the current system, it reimbursed the actual amount paid by the Member State concerned. A comprehensive review of the criteria for payment of death and disability claims was currently under way.

37. The Secretariat would endeavour to provide a list of contractors used by UNOSOM II. It would also try to respond to the request by the United States representative regarding tax equalization. The Tax Equalization Fund involved both the regular budget and peace-keeping operations and about 5,000 to 6,000 persons a year were involved; there would therefore be considerable administrative work in establishing where each individual staff member worked and how much had been paid.

38. Mr. DOSSAL (Field Operations Division), referring to the contract with Brown and Root Services Corporation, said that in April 1993, when the Secretariat had started receiving commitment authority for UNOSOM II, it had felt that it would not be in a position to provide all the logistical support needed for the operation. The Unified Task Force (UNITAF), through the United States Government, had obtained the services of Brown and Root Services Corporation, which had been appointed after an internal United States bidding procedure, under United States Defense Department procedures, from a short list of 27 bidders. The Secretariat had therefore found it cost-effective to use the services of that firm, and it would continue to do so for a further period pending the initiation of bidding on the basis of the complete requirements for the operation, which would be revised at the end of March.

39. On the question of high-level air operations and the number of aircraft in operation in Somalia, he said that since UNOSOM II had been the first peace-enforcement operation carried out by the United Nations, the support requirement needed to implement the mandate had been significantly greater than in previous peace-keeping operations; it had been essential to respond rapidly to needs throughout Somalia and to provide resupply flights from Djibouti and from Kenya. About 40 per cent of the requirements for helicopters and fixed-wing aircraft were military in nature. The situation was under constant review. The Secretariat hoped to establish the needs beyond March 1994 and initiate bidding for additional requirements for aircraft operations.

40. Mr. JU Kuilin (China) said that his delegation would be grateful for the Advisory Committee's views concerning the information on death and disability awards contained in paragraph 21 of its report (A/48/899). His delegation had always believed that troops engaged in United Nations peace-keeping operations should be treated equitably; it therefore strongly endorsed the views expressed on that subject by the Indian representative.

41. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the issue under discussion would require a decision by the General Assembly, which would need to deal with it in the same manner as the question of reimbursements to troop-contributing States. Since the Advisory Committee could not resolve the issue on its own it had confined itself to the observations set out in paragraph 21 of its report, which were based on information received from representatives of the Secretary-General.

42. Mr. MICHALSKI (United States of America) said that his delegation appreciated the Controller's statement that efforts would be made to provide the information which his Government had requested concerning the Tax Equalization Fund. The amounts budgeted for staff assessment should reflect the actual tax reimbursements which the United Nations was required to make. Under the current system of accounting for peace-keeping operations, which was not linked to possible reimbursement requirements for the United Nations, the Secretariat did not know under which budgets staff members would be reimbursed.

43. His delegation reiterated its request for a list of all major contracts - namely, those in excess of $1 million - and the companies or Governments

(Mr. Michalski, United States)

providing goods and services, as well as an indication of whether competitive bidding had been involved in the award of those contracts.

44. Mr. BOIN (France) said that his delegation had received no reply to its question concerning the assumptions underlying the budget estimate for contingent-owned equipment (A/48/850, annex IV, paras. 14 to 25). It was unclear whether the Secretariat had acted in anticipation of a reform not yet approved by the budgetary authorities, or whether it had continued the previous practice.

45. With regard to death and disability compensation, his delegation assumed that the rule set out in the guidelines would continue to be followwd, in other words, that reimbursement would cover the actual expenditure incurred by States. He urged the Secretariat to submit a report on that question in the next few weeks. The whole mechanism of reimbursements to troop-contributing States should be reviewed, since it appeared that some States realized a profit from their participation in peace-keeping operations, a situation which his delegation found morally unacceptable.

46. With regard to the question of performance reports, his delegation fully understood the difficulties involved in gathering data in the field, tabulating such data at Headquarters and issuing the relevant reports. On the other hand, it had learned with surprise and concern that the Organization did not know how much it had spent until it received billings from contractors. That meant that the United Nations had no encumbrance accounting system, unlike his Government, which was required by law to establish such a system. It was to be hoped that further clarification would be forthcoming on that subject.

47. Mr. MADDENS (Belgium) endorsed the French representative's comments regarding the estimate for contingent-owned equipment.

48. Mr. NDOBOLI (Uganda) said that he would be grateful if the information requested by the United States delegation could also be made available to other delegations. It would be helpful to know in which countries the companies receiving contracts were registered.

49. His delegation shared the views expressed by the Indian representative concerning death and disability compensation and hoped that steps would be taken to correct what was clearly an abnormal situation.

50. Mr. DOSSAL (Field Operations Division), replying to the French representative, said that the amount budgeted for contingent-owned equipment in the Secretary-General's report (A/48/850) did not reflect a policy decision; it was merely an attempt to arrive at a reasonable estimate. Current policy required that reimbursement should be made on the basis of net diminution in value, regardless of the type of equipment involved. Ten per cent was used as the average. In the case of UNOSOM II, for the period 1 May to 31 October 1993, the in-surveys received had been valued at $400 million. Final payment would only be made either one year following the period of use of a piece of equipment in the mission area, or upon its withdrawal, whichever was earlier. The issue

(Mr. Dossal)

was quite complex; a great deal of administrative work was involved in logging each piece of equipment in and out of the mission area. A review of the system was currently being carried out by the military contingent, especially in conjunction with stand-by arrangements, and a proposal would be submitted to the Fifth Committee in due course.

51. The same considerations applied to death and disability compensation. The estimate of $40,000 reflected in paragraph 13 of annex IV to document A/48/850 was intended solely for budgetary purposes. It covered the four categories of expenditure and represented reimbursements to Governments in respect of compensation which they might have made to their personnel. All reimbursements were made in accordance with national regulations.

52. On the question of performance reports, he said that UNOSOM II had been one of the most complex operations, in terms not only of logistics, but also of human resources and finances. In attempting to keep up with the mission's day-to-day needs, the staff had been unable to process all the invoices submitted. On 5 June 1993, there had been a mortar attack on UNOSOM II headquarters in Mogadishu, resulting in some loss of documentation. That, in turn, had caused delays in recording expenditures. At the time the Secretary-General's report (A/48/850) had been prepared, it had been impossible to record actual costs; accordingly, the figures shown were a combination of actual and projected expenditures up to the end of October 1993.

53. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), replying to the French representative's comment concerning billings, said that the relevant portions of document A/48/850 were paragraphs 22, 29, 31, 32, 56, 60 and 61 of annex II.

54. The CHAIRMAN said that informal consultations were continuing on the issue.

AGENDA ITEM 120: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued) (A/C.5/48/L.43)

55. The CHAIRMAN drew attention to draft decision A/C.5/48/L.43 which had been submitted on behalf of the Vice-Chairman by the representative of Belgium on the basis of informal consultations.

56. Mr. MADDENS (Belgium), introducing draft decision A/C.5/48/L.43, said that it represented the outcome of negotiations among all delegations which had taken part in the informal consultations on the United Nations Operation in Mozambique (ONUMOZ). One delegation had requested a special audit of the Secretariat's activities with regard to procurement for peace-keeping operations and observer missions. During the discussion of the text, delegations had expressed the hope that when the Chairman of the Board of Auditors introduced the Board's report at the forty-ninth session of the General Assembly, he would provide an overview of the measures already taken to implement the draft decision. The General Assembly would request that a report on public bidding procedures should be submitted to it at its forty-ninth session. The draft decision was recommended for adoption by the Committee without a vote.

57. Mr. MICHALSKI (United States of America) said that his delegation would join the consensus on the draft decision. However, he wished to know whether consideration of the item under which the draft decision was submitted had been closed when the forty-eighth session had adjourned in December 1993 or whether it had remained open.

58. Mr. ŽINNA (Secretary of the Committee) said that the item had not been closed.

59. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, while he did not wish to impede the adoption of the draft decision, he noted that the annual assignments of members of the Board of Auditors were determined beforehand and concurred in by the Advisory Committee. As no member of the Board was present at the current meeting, it might be advisable to ascertain the financial implications of the draft decision, especially if the Board was to submit a report at the forty-ninth session.

60. Mr. STITT (United Kingdom) said that it was important to obtain assurances from the Secretariat that the draft decision would have no financial implications and that the Committee was not asking the Board of Auditors to do something which it was not authorized to do. He suggested that the matter should be considered further in informal consultations.

61. Mr. MICHALSKI (United States of America) supported the statement of the United Kingdom representative.

62. Mr. SPAANS (Netherlands) said that, in the past, the Committee had adopted several resolutions calling for an expanded audit of peace-keeping operations by the Board of Auditors and no financial obstacles to the adoption of those resolutions had been foreseen. While it was the Committee's prerogative not to adopt the draft decision at the current meeting, he noted that, in keeping with the Committee's usual practice, the decision had been discussed extensively in informal consultations. If the Committee was now going to depart from that practice, it should do so with full awareness of the ramifications of such action.

63. Mr. TAKASU (Controller) said that, in the Secretariat's view, there was no impediment to action being taken on the draft decision at the current meeting, since, in the case of UNOSOM II, the financial aspects of the extra work to be carried out by the Board of Auditors would be reflected in the budget. The Advisory Committee's recommendation covering the period up to 31 May 1994 included a provision for audit services. The amount indicated by the Board was $25,000. The Board would provide the Fifth Committee with its work programme and cost estimates. If the Committee found that it was a legitimate expense, the Secretary-General would incur the expenditure and would report thereon to the Committee in the context of the performance report.

64. Mr. MICHALSKI (United States of America) said that his delegation was not attempting to block the adoption of the draft decision; it merely wished to know whether the Committee was going to follow the same procedures which it insisted

(Mr. Michalski, United States)

other committees should follow. The point made by the Chairman of the Advisory Committee was well taken; it would be awkward to discover, following the adoption of the draft decision, that no provision had been made for a special audit. It was his understanding that the audit would apply to all peace-keeping operations and would not be charged to any one operation in particular, and that the cost would be reflected in the support account for peace-keeping operations.

65. Mr. NDOBOLI (Uganda) said that, on the basis of the clarifications provided, his delegation was prepared to take action on the draft decision. When the Board of Auditors submitted its work programme and cost estimates, it would be possible to obtain the data to which other delegations had referred. It was to be hoped that, in adopting the draft decision, the Committee would not prevent the Board from carrying out the functions that might otherwise have been required of it if the draft decision had not been adopted.

66. Mr. STITT (United Kingdom) said that, while his delegation was not opposed to the substance of the draft decision, the Committee had consistently distinguished between the substance of proposals and their financial implications. What was at issue was a special audit of all aspects of procurement for peace-keeping operations and observer missions, including the activities of the Field Operations Division, the activities of the purchasing sections of the Department of Administration and Management, and purchasing activities in the field - in other words, activities financed from the regular budget, the support account and individual special accounts. The draft decision also came at a time when it was likely to divert resources from the fulfilment of the Board's primary responsibility, which was to submit to the Committee, by the end of June or July 1994, audited reports for the biennium on regular funds and programmes, as well as a separate report on field operations and special accounts.

67. In the light of those considerations, it might be prudent for the Committee not to adopt the draft decision until the following session, by which time it could ascertain from the Board whether it would be able to implement the draft decision within its available resources and within the time-frame envisaged, without any negative impact on its other responsibilities.

68. His delegation also wished to know whether the views of the Audit Operations Committee or the Board had been sought regarding the practicality and the budgeting of the special audit.

69. Mr. MADDENS (Belgium) said he was certain that, if the Board faced a financial or budgeting problem, the Chairman of the Board would so inform the Committee when submitting the report on the implementation of the draft decision. He therefore urged the Committee to adopt the draft decision without further delay.

70. Mr. MICHALSKI (United States of America) said that since the Committee expected other committees to follow the standard procedure for draft resolutions which had financial implications, it would be irresponsible if it did not follow that procedure itself. The Committee would not hear from the Board of Auditors

(Mr. Michalski, United States)

until October 1994, by which time it would be too late for the Board to report that it had financial problems. The Committee therefore needed to be assured, before the draft decision was adopted, that the work could be done.

71. The CHAIRMAN said that the Committee would be continuing to meet in the period before the forty-ninth session. It could therefore transmit the decision to the Board of Auditors and have it report back to the Committee before the forty-ninth session.

72. Mr. BOIN (France) said that the Chairman's suggestion was a sound one. He was somewhat surprised at the reactions of some delegations; the draft decision had been approved by consensus in informal meetings, and everyone recognized the importance of the subject matter.

73. Mr. RAMOS (Spain) agreed that the Committee should take action on the draft decision. It was not likely that the Board of Auditors would inform the Committee at the forty-ninth session of the General Assembly that it would be unable to carry out the work. As to the financial implications of the draft decision, there were many ways of solving the problem. Since the draft decision had been approved in informal meetings, the Committee should adopt the decision and not waste time.

74. Mr. MICHALSKI (United States of America) said that his delegation had no difficulty with the draft decision. It wanted to be sure, however, that the study would be carried out and that there were sufficient resources for that to be done. That was normal procedure.

75. Mr. TAKASU (Controller) said that the Board of Auditors was fully aware of the draft decision. It had sent the Secretariat a work programme for the peace-keeping audit in 1994 for Headquarters and field missions and the special audit of procurement issues would be reflected in the budget. Traditionally, the costs of external audits of peace-keeping operations had been borne by the budget for peace-keeping operations, and provision had been included in that budget. If additional resources were needed, they would be requested in the context of the performance report.

76. Mr. MSELLE (Advisory Committee on Administrative and Budgetary Questions) said that the audit requested in the draft decision would be carried out by the Board of Auditors using resources allocated to the Board under the regular budget for peace-keeping operations. He had been informed by the coordinator of the draft decision that the Board would be able to include the request made in the draft decision in its work programme and would decide how to assign the work, since it was understood that the Board would not be able to report to the General Assembly until sometime in 1995.

77. Mr. STITT (United Kingdom) said that a formal response from the Board of Auditors would have been simpler at the current stage. His delegation hoped that the Controller would take steps to confirm the administrative impact of the decision, in other words, confirm that the audit would be scheduled for completion sometime in 1995, rather than before the end of 1994. However, on

(Mr. Stitt, United Kingdom)

the understanding that any additional costs could be absorbed within the audit appropriations already agreed upon in the regular budget or in the budgets of the peace-keeping operations, his delegation was prepared to adopt the decision.

78. Mr. FONTAINE-ORTIZ (Cuba) said that since the special audit in question related to peace-keeping operations, it should be funded from the special peace-keeping accounts or the support account. The Controller had referred to the regular budget in that context and he would like clarification.

79. It was essential to remember that under rule 153 of the rules of procedure of the General Assembly, no decision which had financial implications could be taken unless it was accompanied by an estimate of expenditures prepared by the Secretariat. He pointed out that the rules also required the presence of a majority of the members of a committee for a decision to be taken, and that only 43 delegations were present. His delegation found it regrettable that the Committee had been criticized elsewhere by Member States and by high-ranking members of the Secretariat for being out of order in taking decisions.

80. Mr. TAKASU (Controller) said that most of the cost of the special audit would be covered under individual peace-keeping budgets. Several missions were, however, funded out of the regular budget; the portions of the audit that related to those missions would therefore be charged to the regular budget.

81. Mr. SPAANS (Netherlands) pointed out that if a quorum were required, certain decisions taken in previous years would be invalid.

82. Mr. BOIN (France), Ms. ROTHEISER (Austria) and Mr. DAMICO (Brazil) suggested that further consideration of the draft decision should be deferred until the next meeting.

83. Mr. MICHALSKI (United States of America) said that his delegation was concerned by the Controller's statement with regard to the financing of the special audit, which suggested that existing monies in the regular budget would be redeployed, thereby reducing resources for the regular audit. His delegation would like the Board of Auditors to carry out a meaningful, thorough study and would agree to have any additional costs financed out of the support account. It would not, however, insist on a full detailed statement of programme budget implications before a decision was taken.

84. The CHAIRMAN said that if the Committee required the presence of a quorum in order to take decisions during the course of the year, it could prove impossible to advance the work of the Organization. Further consideration of draft decision A/C.5/48/L.43 would be deferred until the next meeting.

The meeting rose at 6.10 p.m.